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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in ITC Corporation Limited ("ITC"), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank manager, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

This circular is addressed to the shareholders of ITC in connection with a special general meeting of ITC to be held on Tuesday, 21 September 2010.

**ITC CORPORATION LIMITED**

(Incorporated in Bermuda with limited liability)

(Stock code: 372)

POSSIBLE VERY SUBSTANTIAL DISPOSAL**PROPOSED ACCEPTANCE OF
THE REPURCHASE OFFER
OF HANNY HOLDINGS LIMITED
AND
THE PROPOSED DISTRIBUTION OF
CONTRIBUTED SURPLUS OF ITC**

Financial Adviser

ANGLO CHINESE
CORPORATE FINANCE, LIMITED

A notice convening the special general meeting of ITC to be held at B27, Basement, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on Tuesday, 21 September 2010 at 11:00 a.m. is set out on pages 37 and 38 of this circular. If you are not able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the principal place of business of ITC in Hong Kong at 30th Floor, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof (as the case may be). Delivery of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

Hong Kong, 30 August 2010

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context otherwise requires:

“Acceptance”	the proposed conditional acceptance of the Repurchase Offer by the ITC Bondholders to the extent that the ITC Shareholders’ approval is required to be obtained under the Listing Rules
“Announcements”	the First Announcement and the Second Announcement
“associates”	has the meaning ascribed to it in the Listing Rules
“Bondholder(s)”	holder(s) of the Bonds
“Bonds”	the 2% convertible bonds due 2011 issued by Hanny with an aggregate outstanding principal amount of HK\$706,698,786 as at the Latest Practicable Date
“Business Day(s)”	any day (excluding a Saturday) on which licensed banks in Hong Kong are open for business
“Codes”	refers to the Takeovers Code and the Repurchase Code
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Distribution”	the proposed conditional distribution of the contributed surplus by ITC to be satisfied wholly by way of transfer to the ITC Shareholders of Hanny Shares as mentioned in the paragraph headed “THE REPURCHASE OFFER, THE ACCEPTANCE AND THE DISTRIBUTION” in the “Letter from the ITC Board” of this circular
“Dr. Chan”	Dr. Chan Kwok Keung, Charles, the controlling shareholder (as defined in the Listing Rules), the chairman and an executive director of ITC as at the Latest Practicable Date
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any of his delegates
“First Announcement”	the announcement published jointly by ITC and Hanny on 16 July 2010 in relation to, among other things, the Repurchase Offer and the Acceptance
“Hanny”	Hanny Holdings Limited (stock code: 275) (warrant code: 749), a company incorporated under the laws of Bermuda with limited liability and the issued securities of which are listed on the Main Board of the Stock Exchange
“Hanny Board”	board of Hanny Directors
“Hanny Director(s)”	the director(s) of Hanny
“Hanny Group”	Hanny and its subsidiaries
“Hanny Independent Shareholders”	the Hanny Shareholders other than ITC, Dr. Chan and parties acting in concert with any one of them and their respective associates and those who are involved in, or interested in the Repurchase Offer
“Hanny SGM”	the special general meeting to be held by Hanny to consider and, if thought fit, approve, inter alia, the making of the Repurchase Offer and the issue of the Offer Consideration Shares
“Hanny Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of Hanny
“Hanny Shareholder(s)”	holder(s) of the Hanny Shares

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	person(s) or company(ies) or their respective ultimate beneficial owner(s) who/which, to the best of the ITC Directors’ knowledge, information and belief, having made all reasonable enquiries, is (are) third party(ies) independent of ITC and its subsidiaries and its connected persons
“ITC”	ITC Corporation Limited (stock code: 372), a company incorporated in Bermuda with limited liability and the issued securities of which are listed on the Main Board of the Stock Exchange
“ITC Board”	board of ITC Directors
“ITC Bondholders”	Famex Investment Limited and Hollyfield Group Limited, both of which are indirect wholly-owned subsidiaries of ITC and the registered holders of the Bonds in the aggregate principal amount of HK\$231,479,295 as at the Latest Practicable Date
“ITC Director(s)”	the director(s) of ITC
“ITC Group”	ITC and its subsidiaries
“ITC Notes”	the 5% convertible notes due 2011 in the aggregate principal amount of HK\$200 million issued by ITC on 2 November 2009, all of which remained outstanding as at the Latest Practicable Date
“ITC Options”	the share options of ITC granted to the eligible participants pursuant to the share option scheme of ITC adopted on 16 January 2002 (as amended on 19 September 2007)
“ITC Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of ITC
“ITC Shareholder(s)”	holder(s) of the ITC Shares
“Last Trading Day”	12 July 2010, being the last full trading day of the ITC Shares before the release of the First Announcement
“Latest Practicable Date”	26 August 2010, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	The Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules
“Offer Consideration Shares”	the new Hanny Shares to be issued by Hanny to satisfy the consideration for the Repurchase Offer
“Overseas ITC Shareholder(s)”	ITC Shareholders(s) whose name(s) appear(s) on the register of members of ITC at the close of business on the Record Date and whose address(es) as shown on such register is (are) outside Hong Kong
“PRC”	the People’s Republic of China, which for the purpose of this circular shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“PYI”	PYI Corporation Limited (stock code: 498), a company incorporated in Bermuda with limited liability and the issued securities of which are listed on the Main Board of the Stock Exchange

DEFINITIONS

“PYI Bondholder”	Calisan Development Limited, an indirect wholly-owned subsidiary of PYI and the registered holder of the Bonds in the principal amount of HK\$36,857,925 as at the Latest Practicable Date
“Record Date”	the date for determining the entitlements of the ITC Shareholders to the Distribution, which date will be announced by ITC following the receipt of the offer letters in relation to the Repurchase Offer from Hanny
“Remaining Group”	ITC and its subsidiaries immediately after completion of the Distribution
“Repurchase Code”	The Hong Kong Code on Share Repurchases
“Repurchase Offer”	the proposed conditional offer to be made by Hanny to repurchase the Bonds at their face value to be satisfied by the issue of the Offer Consideration Shares at HK\$0.5 each
“Second Announcement”	the announcement published jointly by ITC and Hanny on 16 August 2010 in relation to, among other things, the Distribution
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of ITC to be convened to consider and, if thought fit, approve the Acceptance and the Distribution and the performance of the respective transactions contemplated thereunder
“Special Deal”	a special deal under Rule 25 of the Takeovers Code in connection with the Repurchase Offer to be made to those Bondholders who are also Hanny Shareholders (other than ITC, Dr. Chan and parties acting in concert with any of them)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Whitewash Waiver”	a waiver from the Executive pursuant to Note 1 to the notes on dispensations from Rule 26 of the Takeovers Code to waive the obligation of ITC to make a mandatory general offer for all the Hanny Shares not already owned or agreed to be acquired by ITC and parties acting in concert with it as a result of the Acceptance in full
“CAD”	Canadian dollars, the lawful currency of Canada
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE ITC BOARD



ITC CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 372)

Executive ITC Directors:

Dr. Chan Kwok Keung, Charles (*Chairman*)
Ms. Chau Mei Wah, Rosanna
(*Deputy Chairman and Managing Director*)
Mr. Chan Kwok Chuen, Augustine
Mr. Chan Fut Yan
Mr. Cheung Hon Kit
Mr. Chan Yiu Lun, Alan

Independent non-executive ITC Directors:

Mr. Chuck, Winston Calptor
Mr. Lee Kit Wah
Hon. Shek Lai Him, Abraham, *SBS, JP*

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place of
business in Hong Kong:*

30th Floor
Bank of America Tower
12 Harcourt Road
Central
Hong Kong

30 August 2010

*To the ITC Shareholders and, for information only,
holders of the ITC Notes*

Dear Sir or Madam,

POSSIBLE VERY SUBSTANTIAL DISPOSAL

PROPOSED ACCEPTANCE OF THE REPURCHASE OFFER OF HANNY HOLDINGS LIMITED AND

THE PROPOSED DISTRIBUTION OF CONTRIBUTED SURPLUS OF ITC

INTRODUCTION

Reference is made to the Announcements in relation to, among other things, the Repurchase Offer, the Whitewash Waiver, the Special Deal, the Acceptance and the Distribution.

By the First Announcement, Hanny announced that the Hanny Board had resolved that Hanny would make an offer, subject to fulfillment of certain conditions precedent set out in the First Announcement, to repurchase the Bonds at their face value. ITC disclosed that the ITC Board proposed to accept the Repurchase Offer in full which might constitute a possible very substantial disposal and a possible very substantial acquisition for ITC under the Listing Rules and which acquisition of Hanny Shares as consideration thereof by the ITC Group might trigger an obligation on ITC to make a mandatory general offer for all the Hanny Shares not already owned or agreed to be acquired by ITC and parties acting in concert with it. It was also stated in the First Announcement that ITC would apply to the Executive for the Whitewash Waiver.

By the Second Announcement, ITC announced that the ITC Board proposed the Distribution, the amount of which would depend on the fair value of Hanny Shares on the date of the Distribution. Details of the Distribution are set out in the paragraph headed "THE REPURCHASE OFFER, THE ACCEPTANCE AND THE DISTRIBUTION" below.

The purpose of this circular is to provide you with, among other things, the details of the Repurchase Offer, the Acceptance and the Distribution and the unaudited pro forma financial information of the Remaining Group and to give you notice of the SGM.

LETTER FROM THE ITC BOARD

THE REPURCHASE OFFER, THE ACCEPTANCE AND THE DISTRIBUTION

In June 2006, the Bonds were issued as consideration under a voluntary securities exchange offer by Hanny to acquire interest in Group Dragon Investments Limited. The Bonds bear interest at 2% per annum, are convertible into new Hanny Shares at the initial conversion price of HK\$9.0 per Hanny Share (subject to adjustments), and will mature on the fifth anniversary from the date of the issue of the Bonds. Pursuant to the conditions of the Bonds, the Bondholders have the right to convert the whole or part of the principal amount of the Bonds into Hanny Shares at any time up to and including the date falling 14 days prior to their maturity date of the Bonds. Unless previously converted or redeemed by Hanny, Hanny must redeem the Bonds on their maturity date at the redemption amount which is 100% of the principal amount of the Bonds outstanding. Details of the Bonds were set out in Hanny's announcement dated 19 April 2005, circular dated 14 September 2005 and composite offer document dated 26 May 2006 respectively.

The principal terms of the Repurchase Offer are set out below:

Hanny will make an offer (subject to the fulfillment of certain conditions precedent described below) to repurchase the Bonds at their face value. The purchase price is to be satisfied by the issue of the Offer Consideration Shares at HK\$0.5 per Hanny Share, credited as fully paid. Partial acceptance (in HK\$30,000 or integral multiples thereof) of the Repurchase Offer by a Bondholder will be permitted.

The making of the Repurchase Offer will be conditional upon the Hanny Independent Shareholders approving the making of the Repurchase Offer and the issue of the Offer Consideration Shares pursuant to the terms of the Repurchase Offer. Hanny will send an offer letter in relation to the Repurchase Offer to the Bondholders within 3 Business Days from the date of the obtaining of the Hanny Independent Shareholders' approval of the making of the Repurchase Offer and the issue of the Offer Consideration Shares pursuant to the terms thereof at the Hanny SGM. Accordingly, if the Hanny Independent Shareholders do not approve the making of the Repurchase Offer and the issue of Offer Consideration Shares at the Hanny SGM, the Repurchase Offer will not be made.

The Repurchase Offer (including the issue of the Offer Consideration Shares pursuant to the terms thereof) will be conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Offer Consideration Shares.

As at the Latest Practicable Date, the ITC Bondholders and Dr. Chan on a several basis held the Bonds in the principal amount of HK\$231,479,295 and HK\$2,841,810 respectively, and PYI, a company in which the ITC Group is interested in approximately 26.79%, (through its indirect wholly-owned subsidiary) held the Bonds in the principal amount of HK\$36,857,925.

As disclosed in the First Announcement, due to a possible trigger of an obligation on the part of ITC to make a mandatory general offer for all the Hanny Shares not already owned or agreed to be acquired by ITC and parties acting in concert with it in accordance with Rule 26 of the Takeovers Code as a result of the Acceptance in full, an application for the Whitewash Waiver would be made to the Executive and the Whitewash Waiver would be subject to, among other things, the approval by the Hanny Independent Shareholders at the Hanny SGM.

By the Second Announcement, the ITC Board announced a distribution of ITC's contributed surplus, the amount of which will depend on the fair value of Hanny Shares on the date of the Distribution. This will be satisfied wholly by a transfer to the ITC Shareholders of a portion of Hanny Shares currently held by the ITC Group and all the Offer Consideration Shares to be issued by Hanny to the ITC Bondholders, to which they would be entitled upon the Acceptance in full, on the following provisional basis:

for every 10 ITC Shares 9.3 Hanny Shares

and so in proportion to such greater or lesser number of ITC Shares held, except that no fraction of a Hanny Share will be transferred to the ITC Shareholder concerned. The Hanny Shares resulting from the aggregation of fractions and not transferred to the ITC Shareholders will be retained by the ITC Group.

The provisional basis of the number of Hanny Shares to be transferred to the ITC Shareholders in satisfaction of the Distribution is determined with reference to the number of ITC Shares presently in issue. If there is significant conversion and, or, exercise of the ITC Notes and, or, the ITC Options, it may be necessary to alter the basis on which Hanny Shares will be transferred to the ITC Shareholders under the Distribution. The final basis will be announced by ITC after the Record Date. For illustrative purpose, if all ITC Notes and ITC Options are fully converted and, or, exercised, the basis would be **5.9 Hanny Shares for every 10 ITC Shares**.

LETTER FROM THE ITC BOARD

Since the Distribution will result in ITC retaining a very small shareholding in Hanny and none of the Offer Consideration Shares falling to be issued on the Acceptance in full will be held by the ITC Group, ITC will not proceed with its application for the Whitewash Waiver. Further, in the absence of the Whitewash Waiver, the Repurchase Offer to be made to those Bondholders who are also Hanny Shareholders will no longer constitute a Special Deal as described in the First Announcement.

On the basis that (i) there are no fractions of Hanny Shares resulting from the Distribution; (ii) ITC's present holding of Hanny Shares and Bonds remains unchanged; (iii) the ITC Bondholders accept the Repurchase Offer in full; and (iv) there is no change in the total number of ITC Shares in issue, ITC's shareholding in Hanny after completion of the Distribution calculated on the provisional basis of 9.3 Hanny Shares for every 10 ITC Shares, will be as follows:

Number of Hanny Shares presently held by the ITC Group	240,146,821 *
Number of Hanny Shares to be issued by Hanny on the Acceptance in full	462,958,590
Less: Maximum number of Hanny Shares to be transferred to the ITC Shareholders under the Distribution	700,936,668
Number of Hanny Shares to be retained by the ITC Group following the Distribution	2,168,743 #

* *Number of Hanny Shares held by the ITC Group represented approximately 42.77% of the Hanny Shares in issue as at the Latest Practicable Date.*

please refer to Note 1 on Page 7.

EFFECTS ON SHAREHOLDING STRUCTURE OF HANNY OF THE REPURCHASE OFFER AND THE DISTRIBUTION

Set out below is the shareholding structure of Hanny (i) as at the Latest Practicable Date; (ii) upon completion of the Repurchase Offer assuming full acceptance of the Repurchase Offer by all the Bondholders and the implementation of the Distribution**; (iii) upon completion of the Repurchase Offer assuming only the ITC Bondholders accept the Repurchase Offer and the Distribution is implemented**; and (iv) upon completion of the Repurchase Offer in respect of the Bonds in the aggregate principal amount of HK\$10,149,087, being the maximum amount that can be assented by the ITC Bondholders to the Repurchase Offer without triggering a mandatory general offer obligation on ITC assuming there is no other acceptance and the Distribution is not implemented:

	As at the Latest Practicable Date		Assuming all Bondholders accept the Repurchase Offer in full and the Distribution is implemented		Assuming only the ITC Bondholders accept the Repurchase Offer and the Distribution is implemented		Maximum amount which the ITC Bondholders can accept the Repurchase Offer assuming no other acceptance and the Distribution is not implemented	
	Shares	App.%	Shares	App.%	Shares	App.%	Shares	App.%
ITC (Note 1)	240,146,821	42.77	2,168,743	0.11	2,168,743	0.21	260,444,995	44.77
Dr. Chan (Note 2)	2,298,393	0.41	253,217,856	12.82	247,534,236	24.16	2,298,393	0.40
Other ITC Directors (Note 3)	33	0.00	33	0.00	33	0.00	33	0.00
PYI (Note 4)	-	-	73,715,850	3.73	-	-	-	-
ITC and parties acting in concert with it	242,445,247	43.18	329,102,482	16.66	249,703,012	24.37	262,743,421	45.17
Dr. Yap, Allan (Note 5)	3,178,108	0.57	3,178,108	0.16	3,178,108	0.31	3,178,108	0.55
ITC Shareholders (other than Dr. Chan) (Note 6)	-	-	455,700,825	23.08	455,700,825	44.49	-	-
Public Hanny Shareholders (Note 7)	315,818,465	56.25	1,186,857,977	60.10	315,818,465	30.83	315,818,465	54.28
Total	561,441,820	100.00	1,974,839,392	100.00	1,024,400,410	100.00	581,739,994	100.00

LETTER FROM THE ITC BOARD

Notes:

1. These Hanny Shares are held by Famex Investment Limited which is a wholly-owned subsidiary of Mankar Assets Limited. Mankar Assets Limited is wholly-owned by ITC Investment Holdings Limited, which in turn is a wholly-owned subsidiary of ITC. The ITC Bondholders, namely Famex Investment Limited and Hollyfield Group Limited, together hold the Bonds in the aggregate principle amount of HK\$231,479,295 and will receive an aggregate of 462,958,590 Offer Consideration Shares if they accept the Repurchase Offer in full. Assuming the ITC Bondholders accept the Repurchase Offer in full and the Distribution is implemented, the maximum number of Hanny Shares to be transferred to the ITC Shareholders would be 700,936,668 Hanny Shares and the remaining number of Hanny Shares held by ITC would be 2,168,743. The remaining number of Hanny Shares held by the ITC Group represents approximately 0.11% of the issued share capital of Hanny as enlarged by the issue of the Offer Consideration Shares assuming all Bondholders accept the Repurchase Offer in full and the Distribution is implemented. If only the ITC Bondholders accept the Repurchase Offer in full and the Distribution is implemented, this number represents approximately 0.21% of the issued share capital of Hanny as enlarged by the issue of the Offer Consideration Shares.
2. Dr. Chan was the controlling shareholder, the chairman and an executive director of ITC as at the Latest Practicable Date. Dr. Chan holds the Bonds in the principal amount of HK\$2,841,810 and is interested in 2,298,393 Hanny Shares and will receive 5,683,620 Offer Consideration Shares if he accepts the Repurchase Offer in full. Dr. Chan currently holds 263,694,455 ITC Shares, representing approximately 34.99% of the total ITC Shares in issue as at the Latest Practicable Date. Assuming all the Bondholders (including Dr. Chan) accept the Repurchase Offer in full and the Distribution is implemented, the number of Hanny Shares to be held by Dr. Chan would be 253,217,856. Assuming only the ITC Bondholders but not the other Bondholders (including Dr. Chan) accept the Repurchase Offer and the Distribution is implemented, the number of Hanny Shares to be held by Dr. Chan will be 247,534,236.
3. Mr. Cheung Hon Kit and Hon. Shek Lai Him, Abraham, who were the ITC Directors, held 1 Hanny Share and 32 Hanny Shares respectively as at the Latest Practicable Date.
4. PYI was owned as to approximately 26.79% by ITC as at the Latest Practicable Date. Calisan Developments Limited, an indirectly wholly-owned subsidiary of PYI, holds the Bonds in the principal amount of HK\$36,857,925 and will receive 73,715,850 Offer Consideration Shares if it accepts the Repurchase Offer in full.
5. Dr. Yap, Allan was an executive Hanny Director as at the Latest Practicable Date.
6. Pursuant to the Distribution, the maximum number of Hanny Shares to be transferred to the ITC Shareholders will be 700,936,668. After deducting the number of Hanny Shares to be transferred to Dr. Chan, the number of Hanny Shares to be transferred to the other ITC Shareholders will be 455,700,825. These ITC Shareholders (other than Dr. Chan) are treated as public Hanny Shareholders.
7. The table above assumes that there is no change in the shareholding structure of Hanny from the Latest Practicable Date up to completion of the Repurchase Offer. Based on the register of Bondholders as at the Latest Practicable Date, assuming full acceptance of the Repurchase Offer, none of the Bondholders (other than the ITC Bondholders, Dr. Chan and the PYI Bondholder) will as a result of the issue of the Offer Consideration Shares to it hold 10% or more of the issued share capital of Hanny as enlarged by the issue of the maximum number of Offer Consideration Shares upon completion of the Repurchase Offer. Therefore, those Bondholders are treated as public Hanny Shareholders.

*** The figures set out in the above table are calculated on the provisional basis of 9.3 Hanny Shares for every 10 ITC Shares and are for illustrative purpose only.*

CONDITIONS OF THE ACCEPTANCE AND DISTRIBUTION

The Distribution is conditional upon, among other things, the Repurchase Offer becoming unconditional and the approval of the ITC Shareholders of the Acceptance and the Distribution, and is subject to the grant of the waiver under section 2.1 to the introduction to the Codes by the Executive. After the Distribution becoming unconditional, the Offer Consideration Shares to be issued by Hanny to the ITC Bondholders will be held by the ITC Bondholders on trust for the ITC Shareholders as at the Record Date as beneficial owners thereof and arrangements will be made for the transfers of the legal title to such Offer Consideration Shares to the ITC Shareholders on the same day of their issue and allotment.

If the Acceptance in full or the Distribution is not approved by the ITC Shareholders, the ITC Directors may consider accepting the Repurchase Offer to such extent that such acceptance and acquisition of Offer Consideration Shares as a result thereof will neither constitute a major transaction or a very substantial transaction for ITC nor trigger a mandatory general offer obligation on ITC under the Takeovers Code. In accordance with Chapter 14 of the Listing Rules, the Directors will make an appropriate announcement in the aforementioned circumstance where necessary.

LETTER FROM THE ITC BOARD

REASONS FOR, AND BENEFITS OF, THE ACCEPTANCE AND THE DISTRIBUTION

ITC is an investment holding company which directly and indirectly holds strategic investments in a number of listed companies. The principal activities of the ITC Group comprise investment holding, provision of finance, property investment and treasury investment.

As the conversion price of the Bonds has been significantly above the market price of the Hanny Shares, the Bonds are out-of-the-money and are more analogous to debt securities than equity securities. The ITC Board considers that by Acceptance, the Bonds will be converted into Offer Consideration Shares at a price lower than the prevailing conversion price of the Bonds. The ITC Board believes that the Acceptance and the Distribution will benefit, and create value for, the ITC Shareholders and the ITC Group.

For the ITC Shareholders, the Distribution will offer them an opportunity to directly participate in the future growth prospects of Hanny instead of indirectly through the ITC Group. It will create the flexibility for the ITC Shareholders to make their investment decisions on the Hanny Shares through direct control and thus unlock value for them. Further, the Distribution will provide liquidity for the ITC Shareholders in respect of their shareholding of the Hanny Shares.

For the ITC Group, the Distribution eliminates any immediate Takeovers Code issues with its shareholding in Hanny following its intended Acceptance in full. Upon the issue of Hanny Shares by Hanny to the ITC Bondholders, the ITC Bondholders, as trustee holding such Hanny Shares for the ITC Shareholders as at the Record Date as beneficial owners thereof, will on the same day transfer such Hanny Shares to the ITC Shareholders pursuant to the Distribution. Given the disposition of the shareholdings in ITC and Hanny as publicly disclosed and at no point of time will the ITC Bondholders acquire any beneficial interests in respect of the Hanny Shares to be issued by Hanny under the Repurchase Offer and regardless how the other Bondholders respond to the Repurchase Offer, in the absence of other events and subject to the grant of the waiver under section 2.1 to the introduction to the Codes by the Executive, no mandatory general offer obligation will arise as a result of the Acceptance in full and the Distribution and, in view of this, ITC will not apply for the Whitewash Waiver. As no application for the Whitewash Waiver will be made, the Repurchase Offer to be made to those Bondholders who are also Hanny Shareholders will no longer constitute a Special Deal and Rule 25 of the Takeovers Code is no longer relevant. There is no change in the proposed terms of the Repurchase Offer as described in the First Announcement.

APPLICATION UNDER SECTION 2.1 TO THE INTRODUCTION TO THE CODES

Notwithstanding the Distribution, the Acceptance in full may arguably trigger a mandatory general offer obligation on ITC. Given that the Distribution will complete on the same day of the issue of the Offer Consideration Shares by Hanny to the ITC Bondholders as a result of the Acceptance in full and thus no consolidation of control will occur, ITC has applied for, and the Executive has granted, a waiver under section 2.1 to the introduction to the Codes to confirm that no general offer obligation will arise.

TAXATION

The ITC Shareholders should consult their own professional advisers if they are in any doubt as to the taxation implications of the Distribution. It is emphasised that none of ITC, any of the ITC Directors and any other persons involved in the Distribution accepts any responsibility for any tax effects on, or liabilities of, any ITC Shareholders as a result of the implementation of the Distribution.

RIGHTS OF THE OVERSEAS ITC SHAREHOLDERS TO THE DISTRIBUTION

Based on the register of members of ITC as at the Latest Practicable Date, there were 7 Overseas ITC Shareholders, holding a total of 76 ITC Shares, whose registered addresses were at the PRC, the British Virgin Islands, Taiwan, the Macau Special Administrative Region, Australia and Singapore.

The Hanny Shares which the Overseas ITC Shareholders will be entitled to under the Distribution will not be transferred to them. As mentioned in the Second Announcement, arrangements will be made for the Hanny Shares which would otherwise be transferred to the Overseas ITC Shareholders to be sold in the market as soon as practicable after dealings in the Hanny Shares commence if a premium, net of expenses, can be obtained. Any net proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars to the Overseas ITC Shareholders. Remittances thereof will be posted to the Overseas ITC Shareholders at their own risk, unless the amount falling to be distributed to any of them is less than HK\$100, in which case it will be retained for the benefit of ITC.

LETTER FROM THE ITC BOARD

FINANCIAL IMPACT OF THE ACCEPTANCE AND THE DISTRIBUTION

The Acceptance in full will constitute a possible very substantial disposal for ITC, which will not have any material financial effect on ITC.

The estimated net loss on the Acceptance in full and the Distribution is approximately HK\$843 million, which comprises:

- (1) the gain on assets to be distributed in relation to the underlying shares of the Bonds arising from the Acceptance in full of approximately HK\$11 million, which is calculated as the difference between the carrying value of the Bonds of approximately HK\$214 million at the Latest Practicable Date and the fair value of the new Hanny Shares of approximately HK\$225 million based on the market price of HK\$0.485 per Hanny Share as at the Latest Practicable Date; and
- (2) the loss on assets to be distributed in relation to the existing Hanny Shares of approximately HK\$854 million, which is recognised as the difference between the carrying value of the ITC Group's interests in Hanny as an associate as at 31 March 2010 of approximately HK\$1,037 million off-setting by the effect on the release of Hanny's other comprehensive income accumulated in reserves shared by the ITC Group of approximately HK\$67 million and the fair value of the existing 240,146,821 Hanny Shares held by the ITC Group of approximately HK\$116 million based on the market price of HK\$0.485 per Hanny Share as at the Latest Practicable Date.

Such net loss will be subject to changes depending on the share price of Hanny Shares and the carrying values of interests in Hanny as an associate and the Bonds on the date of the Distribution as required by the applicable Hong Kong Financial Reporting Standards.

INFORMATION ON HANNY

Hanny is an investment holding company and the Hanny Group is principally engaged in trading of securities, holding of vessels for sand mining, industrial water supply business, property development and trading and other strategic investments including (i) a subsidiary whose issued shares are listed on the Australian Securities Exchange; (ii) an associated company whose issued shares are traded on the OTC Securities Market in the United States of America; and (iii) convertible notes issued by companies whose issued shares are listed on the Stock Exchange. To the best of the ITC Directors' knowledge, information and belief having made all reasonable enquiries, Hanny is an Independent Third Party.

The Hanny Group recorded an audited profit of approximately HK\$200 million for the year ended 31 March 2010 and an audited loss of approximately HK\$1,140 million for the year ended 31 March 2009. As at 31 March 2010, the audited equity of the Hanny Group attributable to the Hanny Shareholders was approximately HK\$2,475 million and the gearing ratio as at 31 March 2010, expressed as a percentage of total borrowings to equity attributable to the Hanny Shareholders, was approximately 32.8%.

ADJUSTMENTS RELATING TO THE ITC NOTES AND THE ITC OPTIONS

Pursuant to the terms of the respective instruments constituting the ITC Notes and the ITC Options, adjustments may have to be made to the conversion price (as regards the ITC Notes) and the exercise price (as regards the ITC Options) as a result of the Distribution. Further announcement will be made by ITC in respect of such adjustments as and when appropriate.

CLOSURE OF THE REGISTER OF MEMBERS AND THE RECORD DATE

In order to qualify for the Distribution, a holder of ITC Share(s) must on the Record Date be registered as an ITC Shareholder (other than an Overseas ITC Shareholder). Following the receipt of the offer letter in relation to the Repurchase Offer from Hanny, ITC will announce the Record Date and the period of time which the register of members of ITC will be closed.

THE SGM

Pursuant to the Listing Rules, the Acceptance may constitute a possible very substantial disposal for ITC, for which ITC Shareholders' approval is required. In accordance with the bye-laws of ITC, the Distribution also needs to be approved by the ITC Shareholders. To the best of the ITC Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, no ITC Shareholder would be required to abstain from voting on the proposed resolution(s) approving the Acceptance and the Distribution at the SGM.

Pursuant to the Listing Rules, any vote of shareholders at general meeting must be taken by poll. The chairman of the SGM will therefore put the resolution(s) to be proposed at the SGM to be voted by way of poll pursuant to bye-law 79 of ITC's bye-laws.

LETTER FROM THE ITC BOARD

A notice convening the SGM to be held at B27, Basement, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on Tuesday, 21 September 2010 at 11:00 a.m. is set out on pages 37 and 38 of this circular.

A form of proxy for use at the SGM is enclosed. If you are not able to attend the SGM, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the principal place of business of ITC in Hong Kong at 30th Floor, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong, not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof (as the case may be). Delivery and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish.

RECOMMENDATION

The ITC Directors consider that the terms of the Repurchase Offer are fair and reasonable and the Acceptance and the Distribution are in the interests of the ITC Group and the ITC Shareholders as a whole. Accordingly, the ITC Directors recommend the ITC Shareholders to vote in favour of the ordinary resolution(s) to be proposed at the SGM to approve the Acceptance and the Distribution.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in appendices to this circular and the notice convening the SGM.

Yours faithfully,
For and on behalf of the board of directors of
ITC Corporation Limited
Dr. Chan Kwok Keung, Charles
Chairman

1. INDEBTEDNESS**Borrowings**

As at the close of business on 30 June 2010, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the ITC Group had an aggregate outstanding borrowings, excluding convertible notes payable, of approximately HK\$52.8 million representing the secured bank borrowings.

The secured bank borrowings were secured by buildings, prepaid lease payments and investment properties. The carrying value of pledged assets as at 31 March 2010 is set out in the paragraph headed "Pledge of assets" below.

Debt securities

As at the close of business on 30 June 2010, the ITC Group had outstanding ITC Notes with principal amount of HK\$200 million. The carrying amount of the ITC Notes as at 30 June 2010 was approximately HK\$183.3 million.

Pledge of assets

As at 31 March 2010, certain of the ITC Group's properties and listed securities of an associate with an aggregate carrying value of approximately HK\$312 million were pledged to banks and financial institutions to secure general facilities granted to the ITC Group.

Contingent liabilities

As at the close of business on 30 June 2010, the ITC Group had no contingent liabilities, except that on disposal of an associate, the ITC Group had given an indemnity to the purchaser relating to unrecorded taxation liabilities, if any, and the affairs and business of the associate up to the date of disposal.

Disclaimers

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities as at 30 June 2010, the ITC Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptable credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

2. WORKING CAPITAL

The ITC Directors are of the opinion that, after taking into account the present financial resources and the banking facilities presently available, in the absence of unforeseen circumstances, the ITC Group will have sufficient working capital to meet its requirements for the next twelve months from the date of this circular.

3. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the ITC Directors were not aware of any material adverse change in the financial or trading position of the ITC Group since 31 March 2010, being the date to which the latest published audited consolidated financial statements of the ITC Group were made up.

4. FINANCIAL AND TRADING PROSPECTS OF THE ITC GROUP

While it is widely thought that the worst of the economic recession appears to have passed, the recent market corrections arising from concerns over various issues such as policy tightening in the PRC and sovereign debt crises in some European countries indicate the risks remain. Nevertheless, the Central Government of the PRC is expecting a positive growth in its economy in the second half of 2010. The optimism in the PRC economy will be beneficial to the Hong Kong economy due to its close ties with and proximity to the PRC. The ITC Board is optimistic on the business outlook and the ITC Group's long term strategy of exploring potential investments in an aggressive, yet cautious, manner and enhancing the value of its strategic investments. The ITC Group, equipped with a strong asset base and a low gearing level, will continue to pursue valuable investments and capitalise on these opportunities in a vigilant manner.

APPENDIX II FINANCIAL INFORMATION OF THE BONDS HELD BY THE ITC GROUP

Profit and loss statement on the Bonds held by the ITC Group

In accordance with Rule 14.68(2)(b)(i) of the Listing Rules, the profit and loss statement on the Bonds held by ITC Group for the three years ended 31 March 2010 (the “Relevant Periods”) are set out below. In the opinion of the ITC Directors, such information has been properly compiled and derived from the underlying books and records of the ITC Group. ITC has engaged Deloitte Touche Tohmatsu to perform certain procedures on such information in accordance with the Hong Kong Standard on Related Services 4400 “Engagements to Perform Agreed-Upon Procedures Regarding Financial Information” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). Deloitte Touche Tohmatsu have compared and found that such information has been properly compiled and derived from the underlying books and records of the ITC Group. The engagement performed by Deloitte Touche Tohmatsu did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Deloitte Touche Tohmatsu on the financial information for the Relevant Periods.

Profit and loss statement

	Year ended 31 March		
	2008 HK\$'000	2009 HK\$'000	2010 HK\$'000
Interest income	9,348	13,566	14,579
Loss on changes in fair value of conversion options embedded in convertible notes	<u>(8,343)</u>	<u>(488)</u>	<u>–</u>
Profit for the year	<u><u>1,005</u></u>	<u><u>13,078</u></u>	<u><u>14,579</u></u>

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

**1. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF
THE REMAINING GROUP**

The unaudited pro forma consolidated statement of financial position of the Remaining Group (the “Unaudited Pro Forma Consolidated Statement of Financial Position”) has been prepared to illustrate the effect of the Acceptance in full and the Distribution as if the Acceptance in full and the Distribution had been completed on 31 March 2010. The Distribution is conditional upon, among other things, the Repurchase Offer becoming unconditional and the approval of the ITC Shareholders of the Acceptance in full and the Distribution.

The preparation of the Unaudited Pro Forma Consolidated Statement of Financial Position is based on the audited consolidated statement of financial position of the ITC Group as at 31 March 2010 which has been extracted from the published annual report of the ITC Group for the year ended 31 March 2010 and adjusted only to reflect the pro forma adjustments described in the notes thereto. Narrative description of the unaudited pro forma adjustments that are directly attributable to the Acceptance in full and the Distribution, and are factually supportable, are summarized in the accompanying notes.

As the Unaudited Pro Forma Consolidated Statement of Financial Position is prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the financial position of the Remaining Group as at 31 March 2010 or any future date following the completion of the Acceptance in full and the Distribution.

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

	The ITC Group as at 31 March 2010 HK\$'000	Pro forma adjustments HK\$'000		Pro forma adjustments total HK\$'000	Pro forma Remaining Group HK\$'000
Non-current assets					
Property, plant and equipment	31,253			-	31,253
Investment properties	88,497			-	88,497
Prepaid lease payments	56,348			-	56,348
Intangible assets	1,540			-	1,540
Interests in associates	2,471,715	(1,036,700)	(a)	(1,036,700)	1,435,015
Debt portion of convertible notes	328,358	(175,368)	(a)	(175,368)	152,990
Conversion options embedded in convertible notes	201			-	201
Available-for-sale investments	8,049			-	8,049
	<u>2,985,961</u>	<u>(1,212,068)</u>		<u>(1,212,068)</u>	<u>1,773,893</u>
Current assets					
Inventories	33			-	33
Prepaid lease payments	1,544			-	1,544
Debtors, deposits and prepayments	2,899			-	2,899
Margin account receivables	18			-	18
Amounts due from associates	74,356		(29,517)	(29,517)	44,839
Amounts due from related companies	96		29,517	(b) 29,517	29,613
Loan receivable	21,969			-	21,969
Investments held for trading	6,825			-	6,825
Short-term bank deposits, bank balances and cash	144,207			-	144,207
	<u>251,947</u>	<u>-</u>		<u>-</u>	<u>251,947</u>
Current liabilities					
Creditors and accrued expenses	13,011			-	13,011
Amounts due to associates	941		(402)	(b) (402)	539
Amounts due to a related company	-		402	(b) 402	402
Bank borrowings – due within one year	5,250			-	5,250
Bank overdrafts	37,974			-	37,974
	<u>57,176</u>	<u>-</u>		<u>-</u>	<u>57,176</u>
Net current assets	<u>194,771</u>	<u>-</u>		<u>-</u>	<u>194,771</u>
Total assets less current liabilities	<u>3,180,732</u>	<u>(1,212,068)</u>		<u>(1,212,068)</u>	<u>1,968,664</u>
Non-current liabilities					
Bank borrowings – due after one year	47,500			-	47,500
Convertible notes payable	180,492			-	180,492
Deferred tax liabilities	7,706			-	7,706
	<u>235,698</u>	<u>-</u>		<u>-</u>	<u>235,698</u>
Net assets	<u>2,945,034</u>	<u>(1,212,068)</u>		<u>(1,212,068)</u>	<u>1,732,966</u>
Capital and reserves					
Share capital	7,537			-	7,537
Share premium and reserves	2,937,497	(1,212,068)	(a)	(1,212,068)	1,725,429
Total equity	<u>2,945,034</u>	<u>(1,212,068)</u>		<u>(1,212,068)</u>	<u>1,732,966</u>

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

**2. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
OF THE REMAINING GROUP**

The unaudited pro forma consolidated statement of comprehensive income of the Remaining Group (the “Unaudited Pro Forma Consolidated Statement of Comprehensive Income”) has been prepared to illustrate the effect of the Acceptance in full and the Distribution as if the Acceptance in full and the Distribution had been completed on 1 April 2009. The Distribution is conditional upon, among other things, the Repurchase Offer becoming unconditional and the approval of the ITC Shareholders of the Acceptance in full and the Distribution.

The preparation of the Unaudited Pro Forma Consolidated Statement of Comprehensive Income is based on the audited consolidated statement of comprehensive income of the ITC Group for the year ended 31 March 2010 which has been extracted from the published annual report of the ITC Group for the year ended 31 March 2010 and adjusted only to reflect the pro forma adjustments described in the notes thereto. Narrative description of the unaudited pro forma adjustments that are directly attributable to the Acceptance in full and the Distribution, and are factually supportable, are summarized in the accompanying notes.

As the Unaudited Pro Forma Consolidated Statement of Comprehensive Income is prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the results of the Remaining Group for the year end 31 March 2010 or any future period following the completion of the Acceptance in full and the Distribution.

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

	The ITC Group for the year ended 31 March 2010 HK\$'000	Pro forma adjustments HK\$'000		Pro forma adjustments HK\$'000	Pro forma adjustments total HK\$'000	Pro forma Remaining Group HK\$'000
Turnover						
– gross proceeds	<u>75,276</u>	<u>(14,579)</u>	(c)	<u> </u>	<u>(14,579)</u>	<u>60,697</u>
Revenue	<u>59,014</u>	<u>(14,579)</u>	(c)	<u> </u>	<u>(14,579)</u>	<u>44,435</u>
Management and other related service income	4,363				–	4,363
Net gain on financial instruments	37,892				–	37,892
Interest income	42,079	(14,579)	(c)		(14,579)	27,500
Property rental income	3,959				–	3,959
Other income	8,046				–	8,046
Gain on changes in fair value of investment properties	31,784				–	31,784
Administrative expenses	(63,160)				–	(63,160)
Loss on assets distributed to shareholders	–			(911,239)	(f)	(911,239)
Finance costs	(18,247)				–	(18,247)
Net loss on deemed disposal and disposal of interests in associates	(136,815)	121,363	(d)		121,363	(15,452)
Share of results of associates						
– share of results	87,161	(99,733)	(e)		(99,733)	(12,572)
– discount on acquisitions of associates	2,850				–	2,850
Loss before taxation	(88)	7,051		(911,239)		(904,188)
Taxation	(4,682)	–		–		(4,682)
Loss for the year	<u>(4,770)</u>	<u>7,051</u>		<u>(911,239)</u>		<u>(908,958)</u>
Other comprehensive income (expenses):						
Exchange differences arising on translation of foreign operations	8,743				–	8,743
Share of other comprehensive income of associates	83,862	(74,282)	(e)		(74,282)	9,580
Loss arising in revaluation of: land and buildings	(3,614)				–	(3,614)
Deferred tax arising on revaluation of land and buildings	1,224				–	1,224
Fair value gain on available-for-sale investments	21,714				–	21,714
Reclassification adjustments:						
– reserves released on deemed disposal and disposal of partial interests in associates	(6,670)				–	(6,670)
– investment revaluation reserve released on disposal of available-for-sale investments	(25,705)				–	(25,705)
Other comprehensive income for the year	<u>79,554</u>	<u>(74,282)</u>		<u>–</u>	<u>(74,282)</u>	<u>5,272</u>
Total comprehensive income (expenses) for the year	<u>74,784</u>	<u>(67,231)</u>		<u>(911,239)</u>		<u>(978,470)</u>
Loss for the year attributable to owners of the Company	<u>(4,770)</u>	<u>7,051</u>		<u>(911,239)</u>		<u>(908,958)</u>
Total comprehensive income (expenses) for the year attributable to owners of the Company	<u>74,784</u>	<u>(67,231)</u>		<u>(911,239)</u>		<u>(908,958)</u>

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

3. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF THE REMAINING GROUP

The unaudited pro forma consolidated statement of cash flows of the Remaining Group (the “Unaudited Pro Forma Consolidated Statement of Cash Flows”) has been prepared to illustrate the effect of the Acceptance in full and the Distribution as if the Acceptance in full and the Distribution had been completed on 1 April 2009. The Distribution is conditional upon, among other things, the Repurchase Offer becoming unconditional and the approval of the ITC Shareholders of the Acceptance in full and the Distribution.

The preparation of the Unaudited Pro Forma Consolidated Statement of Cash Flows is based on the audited consolidated statement of cash flows of the ITC Group for the year ended 31 March 2010 which has been extracted from the published annual report of the ITC Group for the year ended 31 March 2010 and adjusted only to reflect the pro forma adjustments described in the notes thereto. Narrative description of the unaudited pro forma adjustments that are directly attributable to the Acceptance in full and the Distribution, and are factually supportable, are summarized in the accompanying notes.

As the Unaudited Pro Forma Consolidated Statement of Cash Flows is prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the cash flows of the Remaining Group for the year ended 31 March 2010 or any future period following the completion of the Acceptance in full and the Distribution.

	The ITC Group for the year ended 31 March 2010 HK\$'000	Pro forma adjustments HK\$'000		Pro forma adjustments HK\$'000		Pro forma adjustments total HK\$'000	Pro forma Remaining Group HK\$'000
OPERATING ACTIVITIES							
Loss before taxation	(88)	7,051	(c), (d), (e)	(911,239)	(f)	(904,188)	(904,276)
Adjustments for:							
Allowance recognised for:							
– amounts due from associates and related companies	93					-	93
– debtors, deposits and prepayments	155					-	155
Amortisation of intangible assets	22					-	22
Depreciation of property, plant and equipment	9,096					-	9,096
Loss (gain) on changes in fair values of:							
– conversion options embedded in convertible notes	1,672					-	1,672
– derivative financial instruments	(7,773)					-	(7,773)
– investments held for trading	(4,149)					-	(4,149)
– investment properties	(31,784)					-	(31,784)
Loss on assets distributed to shareholders	-			911,239	(f)	911,239	911,239
Gain on disposal of:							
– available-for-sale investments	(25,705)					-	(25,705)
– property, plant and equipment	(7,821)					-	(7,821)
Imputed portion of interest on convertible notes	(27,102)	10,781	(c)			10,781	(16,321)
Interest expenses	18,247					-	18,247
Net loss on deemed disposal and disposal of interests in associates	136,815	(121,363)	(d)			(121,363)	15,452
Release of prepaid lease payments	1,544					-	1,544
Share of results of associates	(90,011)	99,733	(e)			99,733	9,722
Operating cash flows before movements in working capital	(26,789)	(3,798)				(3,798)	(30,587)
Increase in inventories	(5)					-	(5)
Decrease in debtors, deposits and prepayments	7,808					-	7,808
Decrease in margin account receivables	37					-	37
Decrease in amounts due from associates	122,587	29,517	(b)			29,517	152,104
Increase in amounts due from related companies	-	(25,719)	(b), (c)			(25,719)	(25,719)
Decrease in loan receivable	3,031					-	3,031
Increase in investments held for trading	(603)					-	(603)
Decrease in derivative financial instruments	44					-	44
Decrease in margin account payables	(4,231)					-	(4,231)
Increase in creditors and accrued expenses	76					-	76
Decrease in amounts due to associates	(5,099)	(402)	(b)			(402)	(5,501)
Increase in amount due to a related company	-	402	(b)			402	402
Cash generated from operations	96,856	-				-	96,856
Dividend received from associates	-					-	-

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

	The ITC Group for the year ended 31 March 2010 HK\$'000	Pro forma adjustments HK\$'000	Pro forma adjustments HK\$'000	Pro forma adjustments total HK\$'000	Pro forma Remaining Group HK\$'000
NET CASH FROM OPERATING ACTIVITIES	<u>96,856</u>	-	-	-	<u>96,856</u>
INVESTING ACTIVITIES					
Acquisition of convertible notes	(112,162)			-	(112,162)
Acquisition of additional interests in associates	(102,560)	25,415	(f)	25,415	(77,145)
Additions of available-for-sale investments	(3,544)	(25,415)	(f)	(25,415)	(28,959)
Additions to property, plant and equipment	(2,534)			-	(2,534)
Additions to intangible assets	(732)			-	(732)
Proceeds from disposal of available-for-sale investments	56,448			-	56,448
Proceeds from disposal of property, plant and equipment	<u>42,880</u>			-	<u>42,880</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(122,204)</u>	-	-	-	<u>(122,204)</u>
FINANCING ACTIVITIES					
Repayment of convertible notes payables	(72,000)			-	(72,000)
Repayment of bank borrowings	(14,617)			-	(14,617)
Interest paid	(11,029)			-	(11,029)
Payment of transaction costs attributable to issue of shares	(5,348)			-	(5,348)
Payment of transaction casts attributable to issue of convertible notes payable	(1,097)			-	(1,097)
Gross proceeds from issue of shares	167,790			-	167,790
Gross proceeds from issue of convertible notes payable	72,000			-	72,000
Gross proceeds from exercise of warrants	<u>40</u>			-	<u>40</u>
NET CASH FROM FINANCING ACTIVITIES	<u>135,739</u>	-	-	-	<u>135,739</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	110,391	-	-	-	110,391
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	(2,776)			-	(2,776)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	<u>(1,382)</u>			-	<u>(1,382)</u>
CASH AND CASH EQUIVALENTS CARRIED FORWARD	<u><u>106,233</u></u>	<u>-</u>	<u>-</u>	<u>-</u>	<u><u>106,233</u></u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS					
Shore-term bank deposits, bank balances and cash	144,207			-	144,207
Bank overdrafts	<u>(37,974)</u>			-	<u>(37,974)</u>
	<u><u>106,233</u></u>	<u>-</u>	<u>-</u>	<u>-</u>	<u><u>106,233</u></u>

APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

Notes:

- (a) The adjustment reflects the Acceptance in full and the Distribution which are to be satisfied by new Hanny Shares that will be issued to the ITC Group upon the Acceptance in full and the 240,146,821 Hanny Shares held by the ITC Group as at 31 March 2010 as if the Acceptance in full and the Distribution had been completed on 31 March 2010.
- (i) As at 31 March 2010, the carrying value of debt component and the principal amount of the Bonds held by the ITC Group were approximately HK\$175,368,000 and HK\$189,960,000 respectively and the carrying value of the conversion option embedded in the Bonds was negligible. If the ITC Group accepts the Repurchase Offer in full, 379,919,340 new Hanny Shares will be issued to the ITC Group at the conversion price of HK\$0.5 per Offer Consideration Share.
- On the Distribution as at 31 March 2010 of the new Hanny Shares, a profit of approximately HK\$48,784,000 arising from the Acceptance in full and the Distribution is calculated as the difference between the carrying value of the Bonds of approximately HK\$175,368,000 and the fair value as at 31 March 2010 of the new Hanny Shares of approximately HK\$224,152,000 which is calculated based on the market price of HK\$0.59 per Hanny Share as at 31 March 2010.
- (ii) On the Distribution as at 31 March 2010 of the 240,146,821 Hanny Shares held by the ITC Group as at 31 March 2010 as if the Distribution had been completed on 31 March 2010, loss on distribution of these assets of approximately HK\$828,367,000 would be recognised as the difference between the carrying value of the ITC Group's interest in Hanny as an associate as at 31 March 2010 of approximately HK\$1,036,700,000 and the fair value of the 240,146,821 Hanny Shares held by the ITC Group of approximately HK\$141,687,000 which is calculated based on the market price of HK\$0.59 per Hanny Share as at 31 March 2010, less the effect on the release of Hanny's other comprehensive income accumulated as credit reserves shared by the ITC Group at 31 March 2010 of approximately HK\$66,646,000.
- (b) The adjustment reflects the reclassification of current account balances with the Hanny Group.
- (c) The adjustment reflects the reversal of the interest income from the Bonds for the year ended 31 March 2010. Among the interest income of HK\$14,579,000 reflected in the adjustment, HK\$3,798,000 represents the interest income on the Bonds calculated at the coupon rate of 2% and the remaining HK\$10,781,000 represents the difference between the interest income calculated at the coupon rate and the effective interest rates of the Bonds.
- (d) The adjustment reflects the reversal of the loss on deemed disposal of partial interests in Hanny as an associate during the year ended 31 March 2010 of HK\$121,363,000, which arose from the net dilution effect of exercise of warrants and placements of shares by Hanny to outsider parties during the year ended 31 March 2010. For details, please refer to the published annual report of the ITC Group for the year ended 31 March 2010.
- (e) The adjustments reflect the reversal of the equity accounting for the results of the Hanny Group for the year ended 31 March 2010, including share of results of the Hanny Group of HK\$99,733,000 and share of other comprehensive income of the Hanny Group of HK\$74,282,000.
- (f) The adjustment reflects the Acceptance in full and the Distribution of the 379,919,340 new Hanny Shares that will be issued to the ITC Group as a result of the Acceptance in full and the 200,122,352 Hanny Shares held by the ITC Group as at 1 April 2009 as if the Acceptance in full and the Distribution had been completed on 1 April 2009 as well as further Distribution to be satisfied by new Hanny Shares that were issued to the ITC Group as a result of the exercise of Hanny's warrants on 29 May 2009 and 2 July 2009 for 20,000,000 and 20,024,469 new Hanny Shares respectively. It is assumed that all Hanny Shares held and to be held by the ITC Group were transferred to the ITC Shareholders in relation to the Distribution. As a result, the entire new Hanny Shares issued to the ITC Group as a result of the exercise of Hanny warrants during the year ended 31 March 2010 was assumed to be transferred in full to the ITC Shareholders in relation to the Distribution.

The total loss on assets which were assumed to be distributed as of 1 April 2009 of HK\$911,239,000 comprised the followings:

- (i) As at 1 April 2009, the carrying value of debt component and the principal amount of the Bonds held by the ITC Group were approximately HK\$164,587,000 and HK\$189,960,000 respectively and the carrying value of the conversion option embedded in the Bonds was negligible. If the ITC Group accepts the Repurchase Offer in full, 379,919,340 new Hanny Shares will be issued to the ITC Group at conversion price of HK\$0.5 per Offer Consideration Share.

APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

On the Distribution as at 1 April 2009 of the new Hanny Shares, a loss of approximately HK\$24,017,000 arising from the acceptance of the Repurchase Offer in full and the Distribution is calculated as the difference between the carrying value of the Bonds of approximately HK\$164,587,000 and the fair value of the new Shares of Hanny distributed as at 1 April 2009 of approximately HK\$140,570,000 which is calculated based on the market price of HK\$0.37 per Hanny Share as at 1 April 2009.

- (ii) On the Distribution as at 1 April 2009 of the 200,122,352 Hanny Shares held by the ITC Group as at 1 April 2009 as if the Distribution had been completed on 1 April 2009, loss on distribution of these assets of approximately HK\$881,618,000 would be recognised as the difference between the carrying value of the ITC Group's interest in Hanny as an associate as at 1 April 2009 of approximately HK\$953,858,000 and the fair value of the Hanny Shares held by the ITC Group of approximately HK\$74,045,000 which is calculated based on the market price of HK\$0.37 per Hanny Share as at 1 April 2009, add the effect on the release of Hanny's other comprehensive income accumulated as debit reserves shared by the ITC Group at 1 April 2009 of approximately HK\$1,805,000.
- (iii) The loss of changes in fair value of assets to be distributed of HK\$5,604,000 on the exercise of Hanny's warrants during the year ended 31 March 2010 and assumed to be distributed immediately. Approximately HK\$2,400,000 is related to the exercise of Hanny warrants on 29 May 2009, which is calculated based on the difference between the aggregate amount of cash proceeds and the fair value of Hanny's warrants on 29 May 2009 and the fair value of Hanny Shares received from the exercise of Hanny's warrants. The cash paid on the exercise of Hanny's warrants was HK\$12,800,000 while the fair value of Hanny's warrants as at 29 May 2009 was HK\$6,200,000. The number of new Hanny Shares acquired was 20,000,000, that with the market price of HK\$0.83 per Hanny Share as at 29 May 2009, the fair value of new Hanny Shares acquired was HK\$16,600,000.

Another loss of HK\$3,204,000 is related to the exercise of Hanny's warrants on 2 July 2009, which is calculated based on the difference between the aggregate amount of cash proceeds and the fair value of Hanny's warrants on 2 July 2009 and the fair value of Hanny Shares received from the exercise of Hanny's warrants. The cash paid on the exercise of Hanny's warrants was HK\$12,615,000 while the fair value of Hanny's warrants on 2 July 2009 was HK\$4,406,000. The number of new Hanny Shares acquired was 20,024,469 that with the market price of HK\$0.69 per Hanny Share as at 2 July 2009, the fair value of new Hanny Shares acquired was approximately HK\$13,817,000.

The total cash paid on the exercise of Hanny's warrants was HK\$25,415,000.

Assume that all Hanny Shares held and to be held by the ITC Group upon the Acceptance in full will be transferred to the ITC Shareholders in satisfaction of the Distribution. The above pro forma adjustments have not taken into account:

- (1) The effect of the final dividend of Hanny for the year ended 31 March 2010 which is subject to the approval by the Hanny Shareholders at the forthcoming annual general meeting of Hanny on 3 September 2010.
- (2) The effect of Hanny's very substantial acquisition relating to the acquisition of 40% interest in Best Smooth International Limited and 3% equity interest in Ally Fortune Investments Limited which was completed subsequent to 31 March 2010.
- (3) The effect on acquisition of additional Bonds in the principal amount of HK\$41,519,625 in April 2010.
- (4) The effect of cost related to the repurchase of the Bonds and the Distribution as the cost is considered to be immaterial.

4. ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

Deloitte.
德勤

TO THE DIRECTORS OF ITC CORPORATION LIMITED

We report on the unaudited pro forma financial information of ITC Corporation Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group"), which has been prepared by the directors of the Company for illustrative purposes only, to provide information about how the proposed acceptance of the repurchase offer by Hanny Holdings Limited ("Hanny") to repurchase the 2% convertible bonds due 2011 issued by Hanny and the proposed distribution of the Company's contributed surplus to be satisfied wholly by way of transfer of the ordinary shares of Hanny to the shareholders of the Company on a pro rata basis (the "Proposed Transaction") might have affected the financial information presented, for inclusion in Appendix III of the circular dated 30 August 2010 (the "Circular"). The basis of preparation of the unaudited pro forma financial information is set out on pages 13 to 20 to the Circular.

Respective responsibilities of directors of the Company and reporting accountants

It is the responsibility solely of the directors of the Company to prepare the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants.

It is our responsibility to form an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the unaudited pro forma financial information with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purpose of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

The unaudited pro forma financial information is for illustrative purpose only, based on the judgements and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in future and may not be indicative of:

- the financial position of the Group as at 31 March 2010 or any future date; or
- the results and cash flows of the Group for the year ended 31 March 2010 or any future period.

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

Opinion

In our opinion:

- a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;
- b) such basis is consistent with the accounting policies of the Group; and
- c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong, 30 August 2010

MANAGEMENT DISCUSSION AND ANALYSIS

1. Liquidity, financial resources and capital structure

Bank deposits, bank balances and cash as at 31 March 2010 amounted to approximately HK\$144 million compared to approximately HK\$14 million of the last year end date.

As at 31 March 2010, the total bank loan facilities that had been drawn by the Remaining Group amounted to approximately HK\$91 million of which approximately HK\$43 million would be repayable within one year or on demand. All of these bank loan facilities are at floating interest rates. In addition to the aforementioned, the Remaining Group has approximately HK\$180 million recognised as the liability component of the ITC Notes as at the year end date. These ITC Notes were issued in November 2009 with a 2-year maturity and a 5% annual interest. Accordingly, the Remaining Group's current ratio improved from approximately 1.1 of last year to approximately 4.4 as at the year end date.

2. Review on the performance of investment held

For the year ended 31 March 2010, the Remaining Group recorded a consolidated revenue of approximately HK\$44 million. Profit attributable to owners was approximately HK\$2 million and basic earnings per ITC Share was HK0.32 cent for the year.

PYI recorded an increase in profit attributable to its owners of 8% to approximately HK\$149 million for the year ended 31 March 2010, mainly due to the increase in profit contributed from the ports and logistics business, as benefited from the growth in share of profit from Nantong Port Group, and the gain on bargain purchase of 51% interest in Yichang Port Group. The majority of PYI's results came from the mark-to-market revaluation of its land bank at Yangkou Port. As a result, contribution from PYI to the Remaining Group increased from approximately HK\$37 million to approximately HK\$45 million for the year.

ITC Properties Group Limited ("ITC Properties") recorded a profit of approximately HK\$103 million attributable to its owners for the year ended 31 March 2010, which marked a significant turn-around compared to the loss of approximately HK\$462 million for the last year. Such improvement was mainly owing to the recognition of increase in fair value of its investment properties and the reversal of impairment losses on properties held for sale due to the robust performance of the property market in Hong Kong during the year. Moreover, ITC Properties realised certain investments in financial instruments and recorded a net gain as a result of the rebound of stock market in Hong Kong during the year. The share attributable to the Remaining Group was a profit of approximately HK\$8 million.

Burcon NutraScience Corporation ("Burcon") reported a loss of approximately CAD7 million for the year ended 31 March 2010, compared to a loss of approximately CAD5 million for the last year. Burcon is a development stage company and its increase in loss was mainly due to the recognition of non-cash stock-based compensation expense for the stock options granted and vested during the year, higher patent legal fees and expenses as more patents were obtained, and higher listing fee as Burcon's common shares listing graduated from the TSX Venture Exchange to the Toronto Stock Exchange in June 2009. The loss shared by the Remaining Group was approximately HK\$10 million for the current year.

Rosedale Hotel Holdings Limited ("Rosedale Hotel"), which has changed its name from Wing On Travel (Holdings) Limited recorded a loss of approximately HK\$358 million attributable to its owners for the year ended 31 December 2009, compared to a loss of approximately HK\$689 million for the previous year. The improvement was largely due to a gain from disposal of a hotel property in Hong Kong and a decrease in impairment loss for its luxury train business. Accordingly, the loss shared by the Remaining Group reduced significantly from approximately HK\$115 million for the previous year to approximately HK\$55 million for the current year.

The net gain from other investments and operations was approximately HK\$29 million for the year, which has significantly improved from the net loss of approximately HK\$67 million of last year. Such improvement mainly comprised the following:

- (i) A net gain of approximately HK\$38 million on financial instruments;
- (ii) A net gain on change in fair value of investment properties of approximately HK\$32 million;
- (iii) An impairment loss of approximately HK\$24 million on the available-for-sale investments recorded last year but none for the current year; and

- (iv) A discount on acquisition of associates of approximately HK\$3 million when the Remaining Group acquired the shares of Rosedale Hotel on the open market in August 2009 which resulted in an increase of the Group's direct interest in Rosedale Hotel from approximately 14.0% to 14.3%. An amount of approximately HK\$38 million was recorded last year when the Remaining Group increased its interest in Rosedale Hotel and ITC Properties which resulted in an increase of the Group's direct interests in Rosedale Hotel and ITC Properties from approximately 14.2% to 16.7% and from approximately 6.5% to 7.7% respectively.

3. Comments on segment information

The reportable segments of the Remaining Group are finance, long-term investment, other investment and others.

Finance segment represents the provision of loan financing services. For the year ended 31 March 2010, the Remaining Group recorded a loss on finance segment of approximately HK\$27.1 million as compared with the loss on finance segment for the year ended 31 March 2009 of approximately HK\$8.3 million, the loss increased by approximately HK\$18.8 million.

Long-term investment segment represents investments in investments such as, convertible notes issued by the associates. The loss on the result of long-term investment was approximately HK\$2.7 million for the year ended 31 March 2009. The profit on the result of long-term investment was approximately HK\$16.7 million for the year ended 31 March 2010.

Others investment segment includes the activities of investments in available-for-sale investments, derivatives and trading of securities. For the year ended 31 March 2010, the Remaining Group recorded profit on other investment segment of approximately HK\$39.5 million. For the year ended 31 March 2009, the Remaining Group recorded loss on other investment segment of approximately HK\$36.6 million.

Other segment includes the activities of leasing of investment properties, leasing of motor vehicles and management services. For the year ended 31 March 2010, the Remaining Group recorded profit on others segment of approximately HK\$33.4 million. For the year ended 31 March 2009, the Remaining Group recorded loss on others segment of approximately HK\$15.7 million.

4. Employee and remuneration policy

As at 31 March 2010, the Remaining Group had a total of 69 employees. It is the Remaining Group's remuneration policy that the employees' remuneration is based on the employees' skill, knowledge and involvement in ITC's affairs and is determined by reference to ITC's performance, as well as remuneration benchmark in the industry and the prevailing market conditions. The ultimate objective of the remuneration policy is to ensure that the Remaining Group is able to attract, retain and motivate a high-calibre team which is essential to the success of ITC. The Remaining Group also offers benefits to employees including discretionary bonus, training, provident funds and medical coverage. The share option scheme is established for the eligible participants (including employees) but no ITC Options were granted during the year. There were 197,600,000 outstanding ITC Options as at 1 April 2009. Due to adjustments arising from the capital reorganisation and rights issue of ITC and lapse of share options during the year, the outstanding ITC Options as at 31 March 2010 was 29,447,750 with a current exercise price of HK\$2.52 per ITC Share (subject to adjustments).

5. Gearing ratio

The Remaining Group's gearing ratio at the end of the year was approximately 7.3%, calculated on the basis of net borrowings, being the excess of borrowings over bank deposits, bank balance and cash, of approximately HK\$127 million over the equity attributable to owners of approximately HK\$1,733 million. The improvement in gearing ratio was mainly due to the proceeds from the fund-raising activities during the year.

6. Exchange rate exposure

As at 31 March 2010, approximately 4.3% of the bank deposits, bank balances and cash were in foreign currencies and all of the Remaining Group's borrowings were denominated in Hong Kong dollars.

7. Contingent liabilities

As at 31 March 2010, the Remaining Group had no contingent liabilities, except that on disposal of an associate, the Remaining Group had given an indemnity to the purchaser relating to unrecorded taxation liabilities, if any, and the affairs and business of the associate up to the date of disposal.

8. Pledge of assets

As at 31 March 2010, certain of the Remaining Group's properties with an aggregate carrying value of approximately HK\$137 million were pledged to banks to secure general facilities granted to the Remaining Group.

1. RESPONSIBILITY STATEMENT

This circular, for which the ITC Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the ITC Group. The ITC Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS BY ITC DIRECTORS

As at the Latest Practicable Date, the interests and short positions of the ITC Directors and chief executives of ITC in the shares, underlying shares and debentures of ITC or any of its associated corporations, within the meaning of Part XV of the SFO which were required (i) to be notified to ITC and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code, to be notified to ITC and the Stock Exchange were as follows:

(a) Interests and short positions in ITC Shares, underlying ITC Shares and debentures of ITC

Name of ITC Director	Capacity	Long position/ Short position	Number of ITC Shares held	Number of underlying ITC Shares	Approximate percentage of the existing issued share capital of ITC
Dr. Chan	Beneficial owner	Long position	61,016,330 (Note 1)	–	8.10%
Dr. Chan	Interest of controlled corporation (Note 1)	Long position	202,678,125 (Note 1)	–	26.89%
Chau Mei Wah, Rosanna	Beneficial owner	Long position	–	4,102,250 (Note 2)	0.54%
Chan Kwok Chuen, Augustine	Beneficial owner	Long position	–	1,830,000 (Note 2)	0.24%
Chan Fut Yan	Beneficial owner	Long position	–	3,812,500 (Note 2)	0.51%
Cheung Hon Kit	Beneficial owner	Long position	–	3,812,500 (Note 2)	0.51%
Chuck, Winston Calptor	Beneficial owner	Long position	–	381,250 (Note 2)	0.05%
Lee Kit Wah	Beneficial owner	Long position	–	381,250 (Note 2)	0.05%
Shek Lai Him, Abraham	Beneficial owner	Long position	–	381,250 (Note 2)	0.05%

Notes:

- Galaxyway Investments Limited was a wholly-owned subsidiary of Chinaview International Limited which was, in turn, wholly-owned by Dr. Chan. Dr. Chan is also the sole director of Chinaview International Limited and Galaxyway Investments Limited. Dr. Chan was deemed to be interested in 202,678,125 ITC Shares held by Galaxyway Investments Limited. Dr. Chan held 61,016,330 ITC Shares.

2. Details of outstanding ITC Options (unlisted equity derivatives) granted to the ITC Directors as at the Latest Practicable Date were as follows:

Name of holder of ITC Options	Date of grant	Exercisable period*	Number of ITC Options	Exercise price per ITC Share (subject to adjustments) HK\$
Chau Mei Wah, Rosanna	28.03.2008	28.03.2008 to 27.03.2011	4,102,250	2.52
Chan Kwok Chuen, Augustine	28.03.2008	28.03.2008 to 27.03.2011	1,830,000	2.52
Chan Fut Yan	28.03.2008	28.03.2008 to 27.03.2011	3,812,500	2.52
Cheung Hon Kit	28.03.2008	28.03.2008 to 27.03.2011	3,812,500	2.52
Chuck, Winston Calptor	28.03.2008	28.03.2008 to 27.03.2011	381,250	2.52
Lee Kit Wah	28.03.2008	28.03.2008 to 27.03.2011	381,250	2.52
Shek Lai Him, Abraham	28.03.2008	28.03.2008 to 27.03.2011	381,250	2.52

* These ITC Options were vested on the date of grant.

(b) Interests and short positions in shares, underlying shares and debentures of the following associated corporations

(i) Hanny

Name of ITC Director	Capacity	Long position/ Short position	Number of Hanny Shares held	Number of underlying Hanny Shares held	Approximate percentage of the existing issued share capital of Hanny
Dr. Chan	Interest of controlled corporation (Note 1)	Long position	240,146,821 (Note 1)	–	42.77%
Dr. Chan	Interest of controlled corporations (Note 1)	Long position	–	14,622,821 (Note 1)	2.60%
Dr. Chan	Beneficial owner	Long position	2,298,393	–	0.41%
Dr. Chan	Beneficial owner	Long position	–	179,520 (Note 1)	0.03%
Cheung Hon Kit	Beneficial owner	Long position	1	–	0.00%
Shek Lai Him, Abraham	Beneficial owner	Long position	32	–	0.00%
Shek Lai Him, Abraham	Beneficial owner	Long position	–	4 (Note 2)	0.00%

Notes:

- 240,146,821 Hanny Shares were held by an indirect wholly-owned subsidiary of ITC. ITC, through the ITC Bondholders, also held the Bonds (unlisted equity derivatives) in an aggregate principal amount of HK\$231,479,295. Upon full conversion of the Bonds by the ITC Bondholders at a conversion price of HK\$15.83 per Hanny Share (subject to adjustments), 14,622,821 Hanny Shares would be issued to the ITC Bondholders.

By virtue of his direct and deemed interests in approximately 34.99% of the issued share capital of ITC, Dr. Chan was deemed to be interested in these Hanny Shares and underlying Hanny Shares held by the indirect wholly-owned subsidiaries of ITC.

Dr. Chan owned the Bonds (unlisted equity derivatives) in the principal amount of HK\$2,841,810. Upon full conversion of the Bonds by Dr. Chan at a conversion price of HK\$15.83 per Hanny Share (subject to adjustments), 179,520 Hanny Shares would be issued to Dr. Chan.

- Hon. Shek Lai Him, Abraham held warrants (listed equity derivatives) with rights to subscribe for 4 Hanny Shares at an initial subscription price of HK\$0.63 per Hanny Share (subject to adjustments).

(ii) PYI

Name of ITC Director	Capacity	Long position/ Short position	Number of shares of PYI held	Number of underlying shares of PYI held	Approximate percentage of the existing issued share capital of PYI
Dr. Chan	Interest of controlled corporation (Note 1)	Long position	1,213,537,695	–	26.79%
Dr. Chan	Beneficial owner	Long position	35,936,031	–	0.79%
Chau Mei Wah, Rosanna	Beneficial owner	Long position	–	3,626,666 (Note 2)	0.08%
Chan Fut Yan	Beneficial owner	Long position	–	7,083,334 (Note 2)	0.16%
Cheung Hon Kit	Beneficial owner	Long position	400	–	0.00%
Shek Lai Him, Abraham	Beneficial owner	Long position	6,000	–	0.00%

Notes:

- The shares of PYI were held by an indirect wholly-owned subsidiary of ITC. By virtue of his direct and deemed interests in approximately 34.99% of the issued share capital of ITC, Dr. Chan was deemed to be interested in these shares of PYI held by an indirect wholly-owned subsidiary of ITC.
- Ms. Chau Mei Wah, Rosanna and Mr. Chan Fut Yan held share options (unlisted equity derivatives) (which were granted on 28 December 2004) with rights to subscribe for 3,626,666 shares of PYI and 7,083,334 shares of PYI respectively at HK\$0.5294 per share of PYI (subject to adjustments) during the period from 28 December 2004 to 26 August 2012. These share options were vested on the date of grant.

(iii) *Burcon NutraScience Corporation (“Burcon”)*

Name of ITC Director	Capacity	Long position/ Short position	Number of shares of Burcon held	Number of underlying shares (in respect of the share options (unlisted equity derivatives)) of Burcon held	Approximate percentage of the existing issued share capital of Burcon
Chau Mei Wah, Rosanna	Beneficial owner	Long position	385,389	–	1.30%
Chau Mei Wah, Rosanna	Beneficial owner	Long position	–	52,500	0.18%
Chan Yiu Lun, Alan	Beneficial owner	Long position	–	65,000	0.22%

(iv) *ITC Properties Group Limited (“ITC Properties”)*

Name of ITC Director	Capacity	Long position/ Short position	Number of shares of ITC Properties held	Number of underlying shares of ITC Properties held	Approximate percentage of the existing issued share capital of ITC Properties
Dr. Chan	Interest of controlled corporations (Note 1)	Long position	117,613,163	–	20.82%
Dr. Chan	Interest of controlled corporations (Note 1)	Long position	–	37,511,230 (Note 1)	6.64%
Dr. Chan	Beneficial owner	Long position	6,066,400	–	1.07%
Chau Mei Wah, Rosanna	Beneficial owner	Long position	3,200,000	–	0.56%
Chau Mei Wah, Rosanna	Beneficial owner	Long position	–	1,500,000 (Note 2)	0.26%
Chan Fut Yan	Beneficial owner	Long position	–	2,900,000 (Note 2)	0.51%
Cheung Hon Kit	Beneficial owner	Long position	12,102,000	–	2.14%
Cheung Hon Kit	Beneficial owner	Long position	–	3,900,000 (Note 2)	0.69%
Chan Yiu Lun, Alan	Beneficial owner	Long position	–	1,500,000 (Note 2)	0.26%

Notes:

- 41,210,400 shares of ITC Properties were held by an indirect wholly-owned subsidiary of ITC. 76,402,763 shares of ITC Properties were held by an indirect wholly-owned subsidiary of Hanny. An indirect wholly-owned subsidiary of ITC held convertible notes (unlisted equity derivatives) of ITC Properties in the aggregate principal amount of HK\$64,000,000 at a conversion price of HK\$8.904 per share of ITC Properties (subject to adjustments). Upon full conversion of such convertible notes, 7,187,780 shares of ITC Properties would be issued to such indirect wholly-

owned subsidiary of ITC. An indirect wholly-owned subsidiary of Hanny owned convertible notes (unlisted equity derivatives) of ITC Properties in the principal amount of HK\$270,000,000 at conversion prices of HK\$8.904 per share of ITC Properties (subject to adjustments). Upon full conversion of such convertible notes, 30,323,450 shares of ITC Properties would be issued to such indirect wholly-owned subsidiary of Hanny. An indirect wholly-owned subsidiary of ITC owned approximately 42.77% of the issued share capital of Hanny and Dr. Chan held approximately 0.41% of the issued share capital of Hanny. By virtue of his direct and deemed interests in approximately 34.99% of the issued share capital of ITC, Dr. Chan was deemed to be interested in these shares and underlying shares of ITC Properties held by the subsidiaries of Hanny and ITC.

2. Details of outstanding share options (unlisted equity derivatives) granted to the ITC Directors by ITC Properties as at the Latest Practicable Date were as follows:

Name of holder of options	Date of grant	Exercisable period*	Number of share options	Exercise price per share of ITC Properties (subject to adjustments) HK\$
Chau Mei Wah, Rosanna	29.03.2010	29.03.2010 to 28.03.2014	1,500,000	2.22
Chan Fut Yan	29.03.2010	29.03.2010 to 28.03.2014	2,900,000	2.22
Cheung Hon Kit	29.03.2010	29.03.2010 to 28.03.2014	3,900,000	2.22
Chan Yiu Lun, Alan	29.03.2010	29.03.2010 to 28.03.2014	1,500,000	2.22

* In relation to the grant of share options on 29 March 2010 subject to the terms and conditions of the share option scheme of ITC Properties adopted on 26 August 2002, the share options shall be exercisable at any time during the option period and subject further to a maximum of 50% of the share options shall be exercisable during the second year period commencing from 29 March 2011 to 28 March 2012 with the balance of the share options not yet exercised may be exercised during the period commencing from 29 March 2012 to 28 March 2014.

As at the Latest Practicable Date, Hanny, PYI, Burcon and ITC Properties were associated corporations of ITC within the meaning of Part XV of the SFO.

Dr. Chan was, by virtue of his direct and deemed interests in approximately 34.99% of the issued share capital of ITC, deemed to be interested in the shares and underlying shares (in respect of equity derivatives), if any, of the associated corporations (within the meaning of Part XV of the SFO) of ITC held by the ITC Group under Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the ITC Directors and chief executives of ITC had any interests and short positions in the shares, underlying shares or debentures of ITC or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to ITC and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code to be notified to ITC and the Stock Exchange.

3. INTERESTS OF SUBSTANTIAL SHAREHOLDERS/OTHER PERSONS RECORDED IN THE REGISTER KEPT UNDER THE SFO

As at the Latest Practicable Date, so far as is known to the ITC Directors or chief executives of ITC, the following persons had interests or short positions in the ITC Shares or underlying ITC Shares which would fall to be disclosed to ITC under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the ITC Group.

(a) Interests and short positions of substantial shareholders in the ITC Shares

Name	Capacity	Long position/ Short position	Number of ITC Shares held	Approximate percentage of the existing issued share capital of ITC
Dr. Chan	Beneficial owner	Long position	61,016,330 (Note)	8.10%
Dr. Chan	Interest of controlled corporation (Note)	Long position	202,678,125 (Note)	26.89%
Chinaview International Limited	Interest of controlled corporation (Note)	Long position	202,678,125 (Note)	26.89%
Galaxyway Investments Limited	Beneficial owner	Long position	202,678,125 (Note)	26.89%
Ng Yuen Lan, Macy	Interest of spouse (Note)	Long position	263,694,455 (Note)	34.99%

Note: Galaxyway Investments Limited was a wholly-owned subsidiary of Chinaview International Limited which was, in turn, wholly-owned by Dr. Chan. Dr. Chan is also the sole director of Chinaview International Limited and Galaxyway Investments Limited. Ms. Ng Yuen Lan, Macy is the spouse of Dr. Chan. Chinaview International Limited, Dr. Chan and Ms. Ng Yuen Lan, Macy were deemed to be interested in 202,678,125 ITC Shares held by Galaxyway Investments Limited. Dr. Chan held 61,016,330 ITC Shares. Ms. Ng Yuen Lan, Macy was deemed to be interested in the ITC Shares held by Dr. Chan.

(b) Interests and short positions of other persons in the ITC Shares and underlying ITC Shares

Name	Capacity	Long position/ Short position	Number of ITC Shares held	Number of underlying ITC Shares held	Approximate percentage of the existing issued share capital of ITC
Everland Group Limited	Beneficial owner (Note 1)	Long position	–	50,000,000	6.63%
Wong Yun Sang	Interest of controlled corporation (Note 1)	Long position	–	50,000,000	6.63%
Chair Sai Sui	Interest of controlled corporation (Note 1)	Long position	–	50,000,000	6.63%
Ma Hon Man, Hoffman	Beneficial owner (Note 2)	Long position	–	70,332,712	9.33%
Katherine Chan	Interest of spouse (Note 2)	Long position	–	70,332,712	9.33%
Yeung Po Yuk, Pymalia	Beneficial owner (Note 3)	Long position	–	70,000,000	9.29%

Name	Capacity	Long position/ Short position	Number of ITC Shares held	Number of underlying ITC Shares held	Approximate percentage of the existing issued share capital of ITC
Sunrise Light Limited	Beneficial owner (Note 4)	Long position	410,000	–	0.05%
Sunrise Light Limited	Beneficial owner (Note 4)	Long position	–	50,000,000	6.63%
All Media Services Limited	Interest of controlled corporation (Note 4)	Long position	410,000	–	0.05%
All Media Services Limited	Interest of controlled corporation (Note 4)	Long position	–	50,000,000	6.63%
Ultra Star Services Limited	Interest of controlled corporation (Note 4)	Long position	410,000	–	0.05%
Ultra Star Services Limited	Interest of controlled corporation (Note 4)	Long position	–	50,000,000	6.63%
Yeung Hoi Sing, Sonny	Interest of controlled corporation (Note 4)	Long position	410,000	–	0.05%
Yeung Hoi Sing, Sonny	Interest of controlled corporation (Note 4)	Long position	–	50,000,000	6.63%
Yeung Hoi Sing, Sonny	Beneficial owner (Note 4)	Long position	75,000	–	0.00%
Yeung Hoi Sing, Sonny	Beneficial owner (Note 4)	Long position	–	3,000	0.00%
Liu Siu Lam, Marian	Interest of spouse (Note 4)	Long position	485,000	–	0.06%
Liu Siu Lam, Marian	Interest of spouse (Note 4)	Long position	–	50,003,000	6.63%

Notes:

1. Everland Group Limited was interested in 50,000,000 underlying ITC Shares (in respect of unlisted equity derivatives). Mr. Wong Yun Sang and Mr. Chair Sai Sui owned as to 50% of Everland Group Limited respectively. By virtue of SFO, each of Mr. Wong Yun Sang and Mr. Chair Sai Sui was deemed to be interested in the underlying ITC Shares in which Everland Group Limited was interested.
2. Mr. Ma Hon Man, Hoffman was interested in 70,332,712 underlying ITC Shares, of which 332,712 underlying ITC Shares and 70,000,000 underlying ITC Shares related to listed equity derivatives and unlisted equity derivatives respectively. So far as known to the ITC Directors, such 332,712 underlying ITC Shares lapsed in November 2009. Ms. Katherine Chan is the spouse of Mr. Ma Hon Man, Hoffman and therefore, by virtue of the SFO, was deemed to be interested in the underlying ITC Shares in which Mr. Ma was interested.

3. Ms. Yeung Po Yuk, Pymalia was interested in 70,000,000 underlying ITC Shares (in respect of unlisted equity derivatives).
4. Sunrise Light Limited, a company wholly-owned by All Media Services Limited, was interested in 410,000 ITC Shares and 50,000,000 underlying ITC Shares (in respect of unlisted equity derivatives). All Media Services Limited was wholly-owned by Ultra Star Services Limited, which in turn was wholly-owned by Mr. Yeung Hoi Sing, Sonny. Mr. Yeung Hoi Sing, Sonny was interested in 75,000 ITC Shares and 3,000 underlying ITC Shares (in respect of listed equity derivatives). So far as known to the ITC Directors, such 3,000 underlying ITC Shares lapsed in November 2009. Mr. Yeung Hoi Sing, Sonny was deemed to be interested in the ITC Shares and underlying ITC Shares in which Sunrise Light Limited was interested. Ms. Liu Siu Lam, Marian is the spouse of Mr. Yeung Hoi Sing, Sonny and therefore, by virtue of the SFO, was deemed to be interested in the ITC Shares and underlying ITC Shares in which Mr. Yeung and Sunrise Light Limited were interested.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the ITC Directors or chief executives of ITC, no person had interests or short positions in the ITC Shares or underlying ITC Shares which would fall to be disclosed to ITC under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the ITC Group or any options in respect of such capital.

4. DIRECTORS' INTERESTS IN ASSETS, CONTRACTS AND COMPETING BUSINESSES

- (i) As at the Latest Practicable Date, none of the ITC Directors had any direct or indirect interest in any assets which have been acquired, disposed of by or leased to or which are proposed to be acquired, disposed of by or leased to any member of the ITC Group, since 31 March 2010, the date to which the latest published audited financial statements of the ITC Group were made up.
- (ii) There had no contract or arrangement entered into by any member of the ITC Group subsisting as at the Latest Practicable Date in which any of the ITC Directors was materially interested and which was significant in relation to the business of the ITC Group as a whole.
- (iii) As at the Latest Practicable Date, none of the ITC Directors and their respective associates were interested in any business apart from the ITC Group's businesses which competes or is likely to compete, either directly or indirectly, with the ITC Group's businesses as required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

5. EXPERT

The following is the qualification of the expert who has given opinion contained in this circular:

Name	Qualification
Deloitte Touche Tohmatsu ("DTT")	Certified Public Accountants

As at the Latest Practicable Date, DTT did not have direct or indirect shareholdings in any member of the ITC Group, or any right to subscribe for or to nominate persons to subscribe for securities in any member of the ITC Group, or any interests, directly or indirectly, in any assets which have been acquired, disposed of by or leased to or which are proposed to be acquired, disposed of by or leased to ITC or any of its subsidiaries, respectively, since 31 March 2010, the date to which the latest published audited financial statements of the ITC Group were made up.

DTT has given and has not withdrawn its written consent to the issue of this circular with the inclusion therein of its reports or letters and references to its name in the form and context in which they respectively appear.

6. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the ITC Directors had entered into any service contracts with ITC or any other members of the ITC Group, save for contracts which will expire or may be terminated by ITC or such other members of the ITC Group within a year without payment of any compensation (other than statutory compensation).

7. LITIGATION

As at the Latest Practicable Date, so far as the ITC Directors are aware, there was no litigation or claims of material importance pending or threatened against any member of the ITC Group.

8. MATERIAL CONTRACTS

The following contracts have been entered into by the ITC Group (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the Latest Practicable Date and which are or may be material:

- (i) the undertaking dated 9 September 2008 executed by ITC under which ITC had irrevocably undertaken, among other things, to accept or procure the acceptance of the provisional allotment of 200,122,352 rights shares (with bonus warrants) to ITC and/or its subsidiary(ies) at the subscription price of HK\$0.50 per rights share pursuant to the rights issue of Hanny. On 3 November 2008, the undertakings given by ITC automatically lapsed as the rights issue of Hanny did not proceed;
- (ii) the undertaking dated 6 January 2009 executed by ITC under which ITC had irrevocably undertaken, among other things, to subscribe, or procure the subscription, for 150,091,764 offer shares (with warrants) to ITC and/or its subsidiary(ies) at the subscription price of HK\$0.35 per offer share pursuant to the open offer of Hanny;
- (iii) the underwriting agreement dated 16 March 2009 entered into between ITC and Get Nice Securities Limited (“Get Nice”) as the underwriter in relation to the underwriting arrangement in respect of the issue of rights shares by ITC on the basis of 4 rights shares for every ITC Share held on the record date;
- (iv) the undertaking dated 29 April 2009 executed by ITC in favour of PYI and BOCI Asia Limited under which ITC had irrevocably undertaken, among other things, that the shares and warrants of PYI beneficially owned by ITC on the date of the undertaking should remain registered in the name of ITC or its subsidiary(ies) and beneficially owned by ITC as at the record date to the rights issue of PYI (the “Record Date”) or 16 July 2009 (whichever is the earlier) and that it would not, and would procure its subsidiaries not to, exercise the subscription rights attaching to the warrants of PYI beneficially owned by ITC up to the Record Date or 16 July 2009 (whichever is the earlier);
- (v) the sale and purchase agreement dated 18 May 2009 entered into between Asia Will Limited (“AWL”), an indirect wholly-owned subsidiary of ITC, as purchaser and Citystar Limited as vendor in relation to the acquisition of the convertible notes (“Rosedale Notes”) issued by Rosedale Hotel Holdings Limited (“Rosedale”) (formerly known as Wing On Travel (Holdings) Limited) in the principal amount of HK\$34,000,000 by AWL at the consideration of HK\$26,520,000;
- (vi) the sale and purchase agreement dated 18 May 2009 entered into between AWL as purchaser and Eversun Limited as vendor in relation to the acquisition of the Rosedale Notes in the principal amount of HK\$24,200,000 by AWL at the consideration of HK\$18,876,000;
- (vii) the placing and underwriting agreement dated 9 June 2009 entered into between ITC and Get Nice pursuant to which Get Nice, as a placing agent of ITC, agreed to place, on a fully underwritten basis, a total of 80,000,000 ITC Shares at the placing price of HK\$0.75 per ITC Share;
- (viii) the sale and purchase agreement dated 16 June 2009 entered into between AWL as purchaser and Violet Profit Holdings Limited as vendor in relation to the acquisition of the Rosedale Notes in the principal amount of HK\$50,000,000 by AWL at the consideration of HK\$40,000,000;
- (ix) the contract notes in relation to acquisition by AWL of a total of 31,890,000 shares of Rosedale for an aggregate consideration of approximately HK\$1.4 million on 6 August 2009 and 7 August 2009;

- (x) the offer letter dated 31 July 2009 issued by Rosedale to AWL (as varied and supplemented by a letter dated 15 October 2009 between AWL and Rosedale in relation to the extension of the long stop date) and a form of acceptance and transfer dated 19 August 2009 executed by AWL for acceptance of the offer made by Rosedale to repurchase the Rosedale Notes held by AWL in the aggregate principal amount of HK\$81,000,000 at the consideration to be satisfied by way of issue of shares of Rosedale at HK\$0.035 per share. Rosedale subsequently informed AWL on 17 November 2009 that such offer would not proceed as certain conditions precedent thereto could not be fulfilled;
- (xi) the offer letters issued by ITC to the respective noteholders on 24 September 2009 in relation to the repurchase of 5% convertible notes issued by ITC due 2 November 2009 in the principal amount of HK\$200,000,000 (the "2009 CN") at the price payable by way of issue of new ITC Notes in the principal amount equal to the outstanding principal amount of the 2009 CN that were the subject of acceptance by the respective noteholders (the "ITC Repurchase Offer") and the following respective acceptance and transfer forms executed by the holders of the 2009 CN:
 - (a) five acceptance and transfer forms all dated 29 September 2009 executed by Success Securities Limited ("Success") in respect of its acceptance of the ITC Repurchase Offer of the 2009 CN in the respective principal amounts of HK\$35,000,000, HK\$25,000,000, HK\$25,000,000, HK\$25,000,000 and HK\$10,000,000 held by it with the transfers of such 2009 CN to ITC on 2 November 2009; and
 - (b) an acceptance and transfer form dated 29 September 2009 executed by Dragonsford Investment Limited in respect of its acceptance of the ITC Repurchase Offer of the 2009 CN in the principal amount of HK\$8,000,000 held by it with the transfer of such 2009 CN to ITC on 2 November 2009;
- (xii) the placing agreement dated 30 September 2009 entered into between ITC and Success pursuant to which Success, as placing agent of ITC, agreed to place, on a best efforts basis, the ITC Notes up to a maximum aggregate principal amount of HK\$200,000,000 (less the principal amount of the ITC Notes that fell to be issued for the valid acceptances received under the ITC Repurchase Offer);
- (xiii) the undertaking dated 3 December 2009 executed by AWL in favour of Rosedale and Emperor Securities Limited under which AWL had irrevocably undertaken, among other things, to subscribe or procure the subscription of the provisional allotment of rights shares in respect of 1,561,120,000 shares of Rosedale held by AWL at the subscription price of HK\$0.15 per rights share on the basis of five rights shares for every 1 share of Rosedale held on the record date pursuant to the rights issue of Rosedale;
- (xiv) two offer letters dated 10 December 2009 and 15 December 2009 respectively issued by Rosedale to AWL (as varied and supplemented by a letter dated 23 December 2009 between AWL and Rosedale in relation to the extension of the long stop date) and two forms of acceptance and transfer dated 23 December 2009 executed by AWL for acceptance of the offer made by Rosedale to repurchase the Rosedale Notes held by AWL in the respective principal amounts of HK\$108,200,000 and HK\$6,000,000 at a price payable in cash equal to 80% of the principal amount of the Rosedale Notes that are the subject of the acceptance of the offer. Rosedale subsequently informed AWL on 4 March 2010 that such offer would not proceed as certain conditions precedent thereto could not be fulfilled;
- (xv) the contract notes for disposal by Great Intelligence Holdings Limited, an indirectly wholly-owned subsidiary of ITC, of a total of 182,940,000 shares of Neo Telemedia Limited (formerly known as BIG Media Group Limited) for the aggregate consideration of approximately HK\$19.1 million during the period from 23 February 2009 to 13 January 2010;
- (xvi) the contract of purchase and sale dated 25 January 2010 entered into between Burcon Group Limited (an indirect wholly-owned subsidiary of ITC) as seller and Qing Fang, Huang and Wenyan, An as buyers (as varied and supplemented by a contract of purchase and sale addendum dated 1 February 2010) in relation to the disposal of a property located at 4818 Fannin Avenue, Vancouver, British Columbia, Canada at the consideration of CAD6,128,000;
- (xvii) the contract notes dated 30 April 2010 executed between Famex Investment Limited (an indirect wholly-owned subsidiary of ITC) as transferee and Wonderich Investments Limited as transferor for the acquisition of the Bonds in the aggregate principal amount of HK\$41,519,625 at the consideration of HK\$31,460,250.26;

- (xviii) the contract notes in relation to acquisition by AWL of a total of 26,020,000 shares of Rosedale for an aggregate consideration of approximately HK\$16.2 million during the period from 28 May 2010 to 22 July 2010; and
- (xix) the offer letter dated 30 June 2010 issued by Rosedale to AWL (as varied and supplemented by a letter dated 5 July 2010 issued by Rosedale to AWL in relation to the extension of acceptance date) and the form of acceptance and transfer dated 5 August 2010 executed by AWL for acceptance of the offer made by Rosedale to repurchase the Rosedale Notes held by AWL in the aggregate principal amount of HK\$114,200,000 for a cash consideration of HK\$100,496,000, being a price equal to 88% of the principal amount of the Rosedale Notes that are the subject of the acceptance of the offer.

9. GENERAL

- (i) The secretary of ITC is Mr. Lee Hon Chiu, *CPA, FCCA*.
- (ii) The registered office of ITC is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the head office and principal place of business of ITC in Hong Kong is at 30th Floor, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong.
- (iii) The principal share registrar and transfer office of ITC is Butterfield Fulcrum Group (Bermuda) Limited of Rosebank Centre, 11 Bermudiana Road, Pembroke HM 08, Bermuda and the branch share registrar and transfer office of ITC in Hong Kong is Tricor Secretaries Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (iv) The English texts of this circular and the accompanying form of proxy shall prevail over their respective Chinese texts for the purpose of interpretation.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours on any weekday (except Saturday and public holidays) at the office of Iu, Lai & Li at 20th Floor, Gloucester Tower, The Landmark, 11 Pedder Street, Central, Hong Kong from the date of this circular up to and including the date of the SGM:

- (a) the memorandum of association and the bye-laws of ITC;
- (b) the annual reports of ITC for each of the two financial years ended 31 March 2009 and 31 March 2010;
- (c) the material contracts disclosed in the paragraph headed "Material contracts" in this appendix;
- (d) the letter from DTT in respect of the unaudited pro forma financial information on the Remaining Group as set out in Appendix III to this circular;
- (e) the letters of consent from DTT referred to in this appendix on the financial information set out in Appendices I to III; and
- (f) a copy of this circular.

NOTICE OF THE SGM



ITC CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 372)

NOTICE IS HEREBY GIVEN that a special general meeting of ITC Corporation Limited (the “**Company**”) will be held at B27, Basement, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on Tuesday, 21 September 2010 at 11:00 a.m. for the purpose of considering and, if thought fit, passing, with or without modification, the following resolutions as ordinary resolutions of the Company:

1. “**THAT**:
 - (a) the acceptance (the “Acceptance”) by Famex Investment Limited and Hollyfield Group Limited (the “Bondholders”), both indirect wholly-owned subsidiaries of the Company, of the conditional offer (the “Offer”) to be made by Hanny Holdings Limited (“Hanny”) to repurchase the 2% convertible bonds due 2011 (the “Bonds”) issued by Hanny (details of the Offer are set out in the “Letter from the ITC Board” in the circular of the Company dated 30 August 2010 to which the notice of this meeting is attached) in the aggregate principal amount of HK\$231,479,295 held by the Bondholders at their face value to be satisfied by the issue of new ordinary shares of HK\$0.01 each in the capital of Hanny (the “Hanny Shares”) at HK\$0.5 each credited as fully-paid, and the performance of the transactions contemplated thereunder be and are hereby approved; and
 - (b) the directors of the Company be and are hereby authorised to exercise all powers of the Company and to take all steps as they may in their absolute discretion consider desirable, necessary or expedient in respect of or in connection with the Acceptance and the transactions contemplated thereunder including but not limited to the execution, amendment, supplement, delivery and implementation of any documents, agreements or deeds.”
2. “**THAT**, conditional upon the Offer (as defined in ordinary resolution no. 1 (“Resolution 1”) set out in the notice convening this meeting of which this resolution forms part) becoming unconditional and the passing of Resolution 1, and subject to compliance with the relevant legal requirements under the laws of Bermuda:
 - (a) a distribution of an amount in Hong Kong dollars which is equal to the number of Hanny Shares (as defined in Resolution 1) to be transferred pursuant to the Distribution (as defined below) multiplied by the closing price of the Hanny Shares as quoted on the daily quotation sheet of The Stock Exchange of Hong Kong Limited on the date of settlement of the Distribution out of the contributed surplus of the Company (the “Distribution”) be made to the shareholders of the Company (the “Shareholders”) as at the record date (to be announced by the Company following the receipt of the offer letter(s) in relation to the Offer from Hanny) (the “Record Date”);
 - (b) the Distribution be satisfied wholly by way of transfer of a portion of the Hanny Shares currently held by the Company and its subsidiaries and the new Hanny Shares to be issued by Hanny Holdings Limited as a result of the acceptance of the Offer in full by the Bondholders (as defined in Resolution 1), on the provisional basis of 9.3 Hanny Shares for every 10 ordinary shares of HK\$0.01 each of the Company held by the Shareholders as at the Record Date or on such basis and in such proportion as the directors of the Company may in their absolute discretion determine, excluding those Shareholders whose registered addresses as shown on the register of members of the Company as at the close of business on the Record Date are outside Hong Kong (the “Excluded Shareholders”); and

NOTICE OF THE SGM

- (c) the directors of the Company be and are hereby authorised to exercise all powers of the Company, including, without limitation, the power to deal with fractional entitlements and to determine and make arrangements in respect of the entitlements of the Excluded Shareholders under the Distribution, and to take all steps as they may in their absolute discretion consider desirable, necessary or expedient in respect of or in connection with the Distribution and the transactions contemplated thereunder including, without limitation, the determination of the exact amount to be distributed out of the contributed surplus to the Shareholders under this resolution, the determination of the mechanism and basis of the Distribution and the transfer of Hanny Shares to the Shareholders (other than the Excluded Shareholders) and the execution, amendment, supplement, delivery and implementation of any documents, agreements and deeds.”

By order of the Board
ITC Corporation Limited
Lee Hon Chiu
Company Secretary

Hong Kong, 30 August 2010

Principal place of business in Hong Kong:
30th Floor, Bank of America Tower
12 Harcourt Road
Central
Hong Kong

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Notes:

1. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent and vote on his behalf. A proxy need not be a member of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
3. A form of proxy for use at the meeting is enclosed. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, together with such evidence as the board of directors of the Company may require under the bye-laws of the Company, shall be deposited at the Company's principal place of business in Hong Kong at 30th Floor, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof (as the case may be) and in default the instrument of proxy shall not be treated as valid.
4. Delivery of an instrument appointing a proxy shall not preclude a member of the Company from attending and voting in person at the meeting or any adjournment thereof or upon the poll concerned and, in such event, the instrument appointing a proxy shall be deemed to have been revoked.
5. Where there are joint registered holders of any share of the Company, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders is present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.

As at the date of this notice, the board of directors of the Company comprises:

Executive directors:
Dr. Chan Kwok Keung, Charles (*Chairman*)
Ms. Chau Mei Wah, Rosanna
(*Deputy Chairman and Managing Director*)
Mr. Chan Kwok Chuen, Augustine
Mr. Chan Fut Yan
Mr. Cheung Hon Kit
Mr. Chan Yiu Lun, Alan

Independent non-executive directors:
Mr. Chuck, Winston Calptor
Mr. Lee Kit Wah
Hon. Shek Lai Him, Abraham, *SBS, JP*